

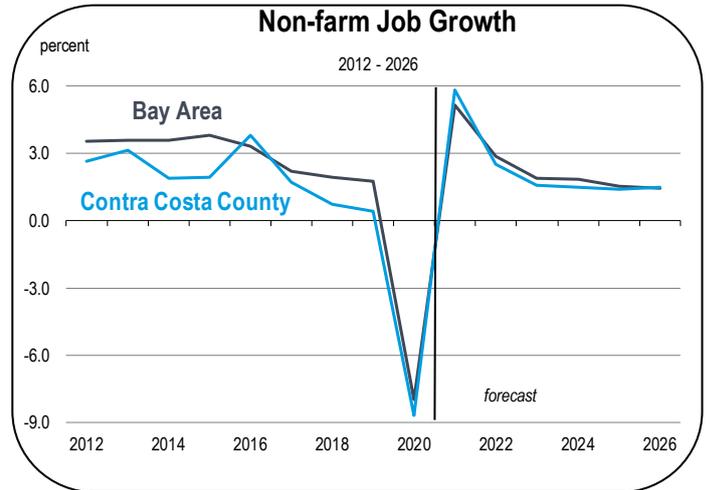
Contra Costa County Economic Forecast

Forecast Summary

- On an annual average basis, 19,900 non-farm jobs will be restored in Contra Costa County during 2021.
- A full labor market recovery is expected by 2023.
- Employment gains in 2021 will be largest in leisure services, professional business services, private education and healthcare, and retail trade.
- The unemployment rate averaged 8.9 percent in 2020. It is expected to average 5.7 percent in 2021 and 4.2 percent in 2022.
- The Contra Costa County population is expected to grow more quickly than the Bay Area average during the forecast period.
- More homes will be built over the forecast period than were built during the previous five years.
- Home prices surged unexpectedly in 2020, rising by 13 percent. Price are expected to increase by another 7 or 8 percent in 2021.

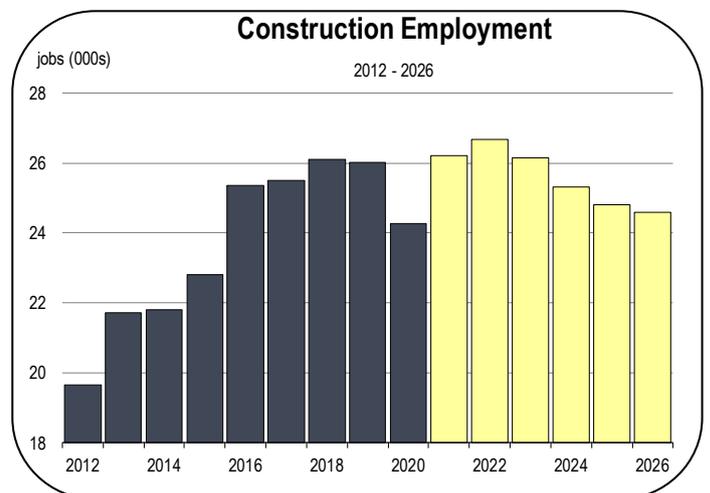
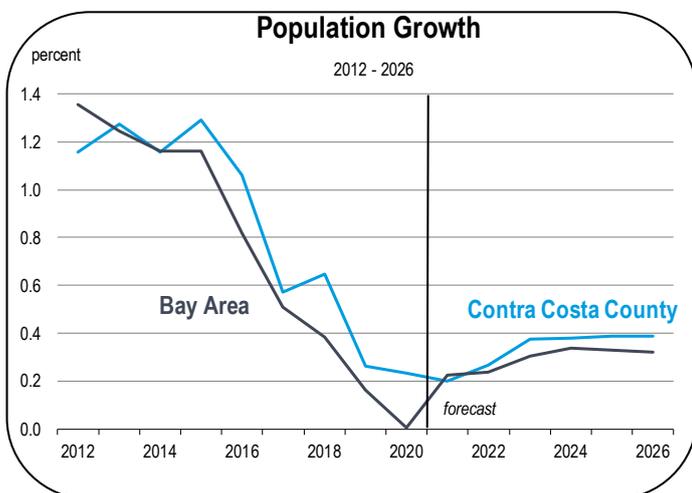
Job Growth

- Total employment in Contra Costa County will expand by 5.8 percent in 2021 on an annual average basis.
- Over the entire forecast period, job growth in Contra Costa County will be similar to the Bay Area average.

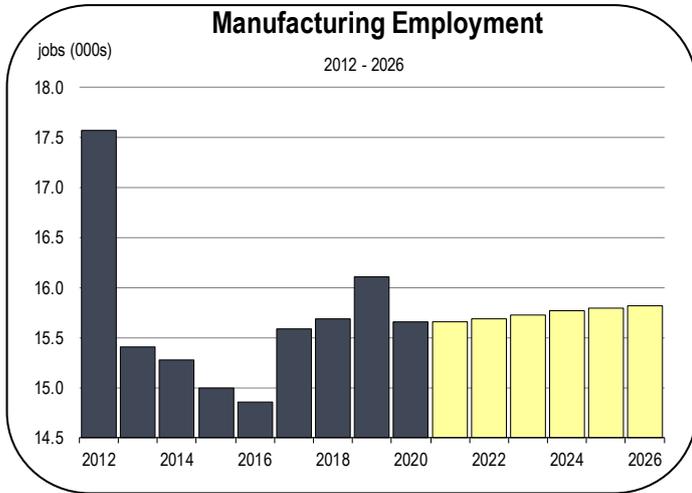


Construction Employment

- The Coronavirus Recession had a meaningful impact on the construction industry, with construction employment declining by 6.7 percent on an annual average basis.
- Construction employment should return to pre-recession levels in 2021, though the expansion of these jobs will be limited due to modest new development activity over the forecast.



Contra Costa County Economic Forecast

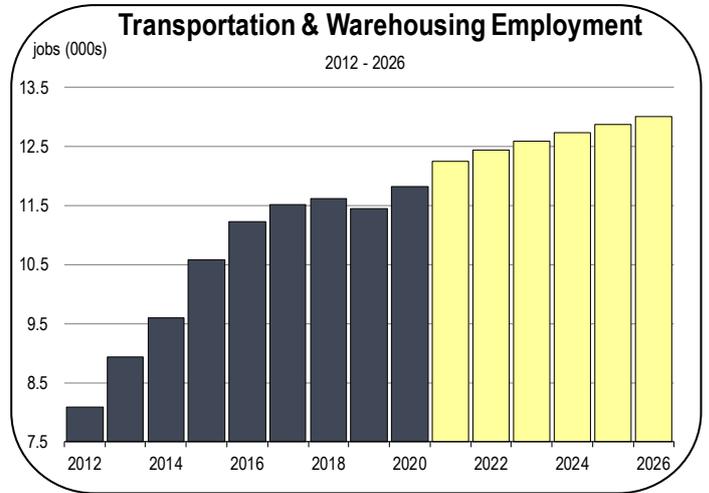


Manufacturing Employment

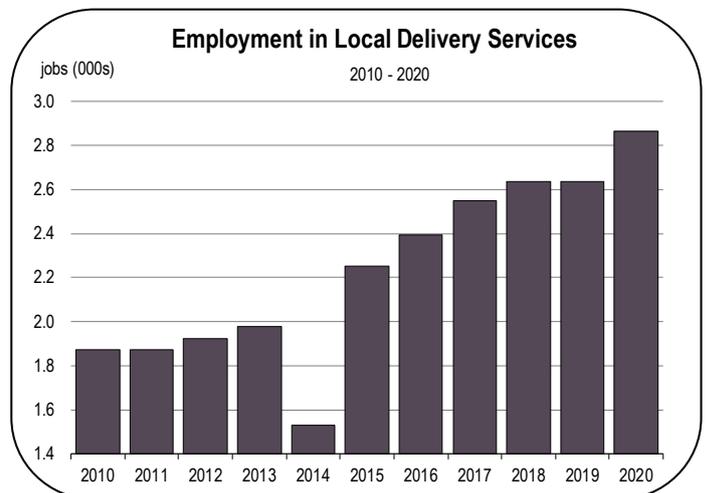
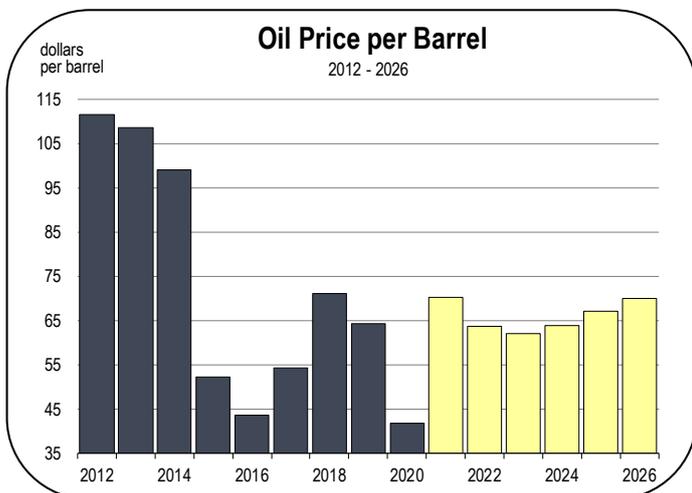
- Approximately a third of all Contra Costa County manufacturing jobs are in oil refineries, particularly the Chevron plant in San Ramon.
- Employment levels at oil refineries decreased by a small amount during the Coronavirus Recession.
- Jobs at oil refineries will return in 2021 as global oil prices rise.
- Overall manufacturing activity is not expected to make a full recovery to pre-pandemic levels.

Transportation and Warehousing Employment

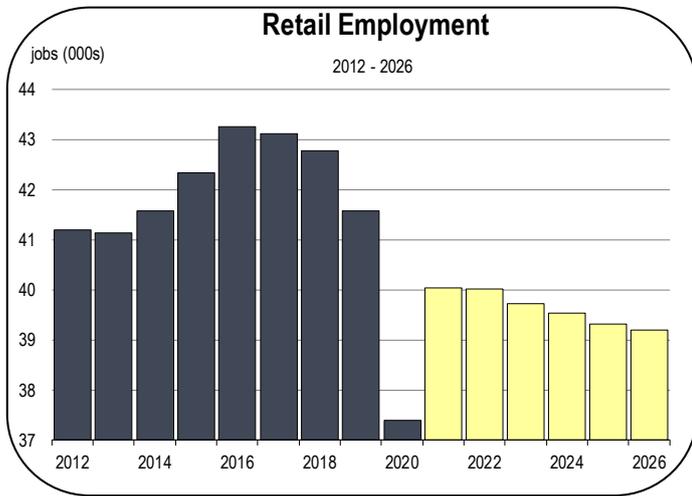
- Most transportation jobs in Contra Costa County are in trucking and warehousing, where firms deliver goods to and from the Port of Oakland, and store these goods in logistics facilities.



- A high share of Contra Costa County transportation jobs are in delivery firms like UPS and FedEx and at ground transportation organizations like BART.
- Even though ridership declined by 87 percent, BART, one of the largest employers in Contra Costa County, did not lay off workers during the pandemic, instead choosing to offer older workers early retirement incentives at the end of the year.
- Trade flows through the Port of Oakland remained active following the initial shock during the early months of the pandemic.
- Total annual outbound and inbound container volume was off only slightly in 2020, and through March 2021, monthly volume had reached record levels.
- Local delivery firms added 300 jobs in 2020 in response to the surge in direct-to-consumer shopping.

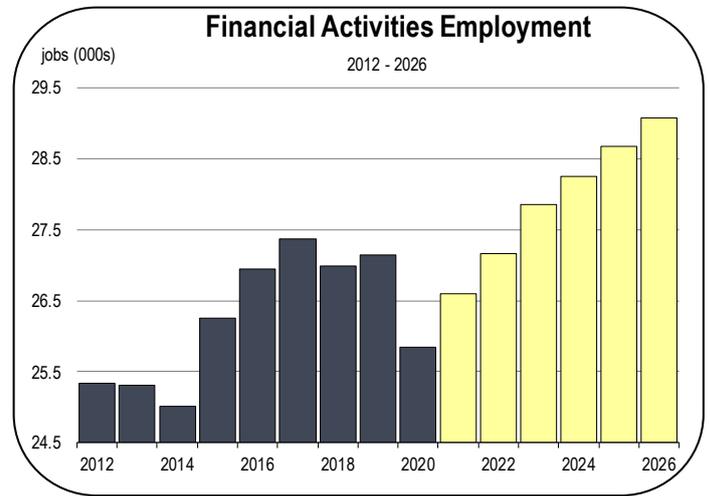
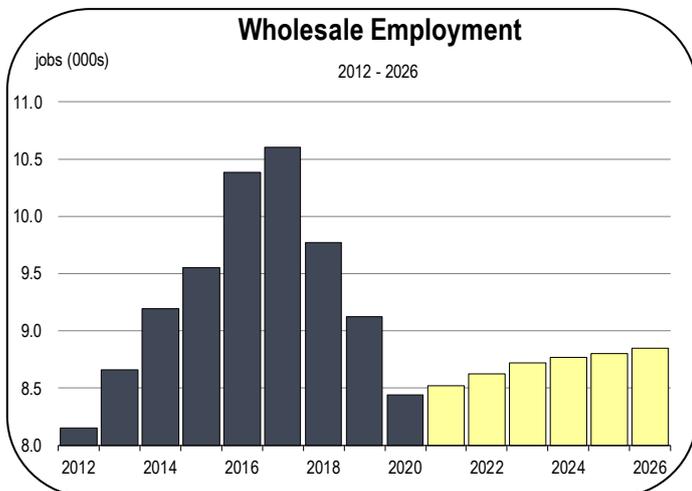


Contra Costa County Economic Forecast



Retail Trade Employment

- The retail sector was decimated in 2020, declining by 4,200 jobs.
- Losses were largest at car dealers, clothing stores, and big box department stores.
- Grocery store employment expanded during 2020. So did employment at home improvement stores.
- Retail employment will rebound sharply in 2021 as storefronts open up to higher capacities, but automation and the transition to online shopping will lead to the necessity for fewer workers at local brick-and-mortar establishments between 2022 and 2026.



Wholesale Trade Employment

- Wholesale trade employment contracted by 8 percent in 2020.
- A minor rebound in wholesale trade employment is forecast in 2021 but due to automation and the consolidation of distribution activities with warehousing and fulfillment centers, direct wholesale brokerage employment opportunities will be limited going forward.

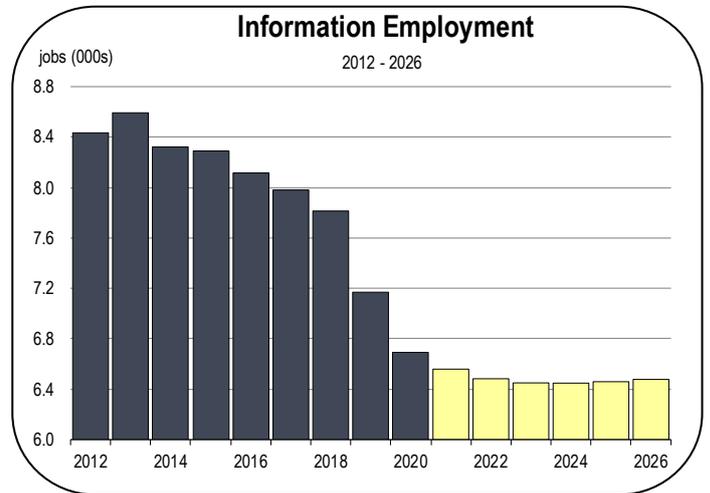
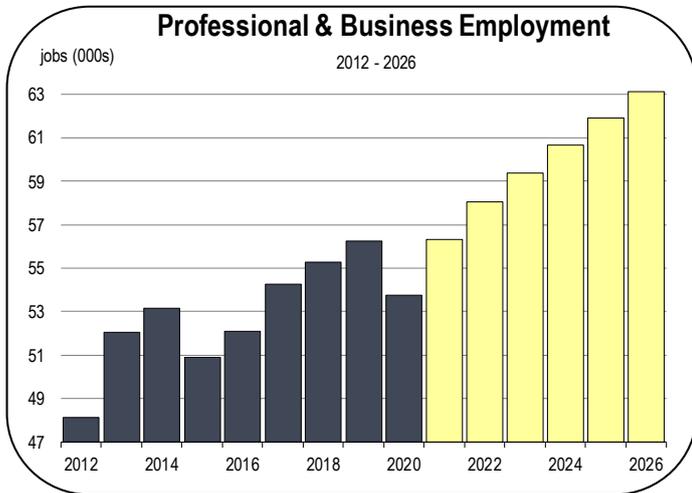
Financial Activities Employment

- Financial activities employment was impacted substantially by the recession and restricted business conditions.
- Losses were largest at banks, real estate firms, and car rental agencies.
- The recovery is expected to be quick, with growth concentrated in the real estate services sector.

Professional and Business Services Employment

- The professional and business services industry has a diverse array of subsectors, and each was affected differently during the recession.
- The largest losses were at staffing agencies and building maintenance firms.
- Over the long term, growth is expected to be strongest in engineering and technology consulting.

Contra Costa County Economic Forecast

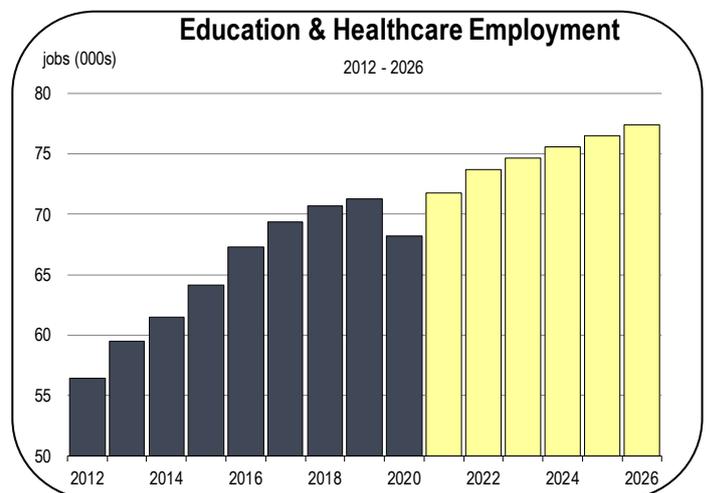
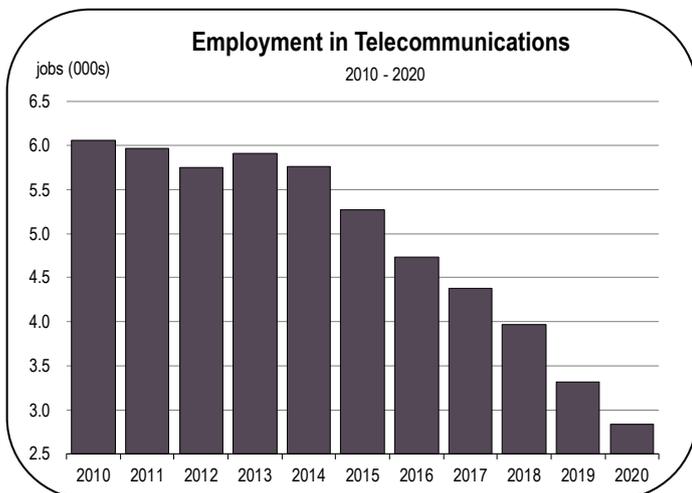


Information Employment

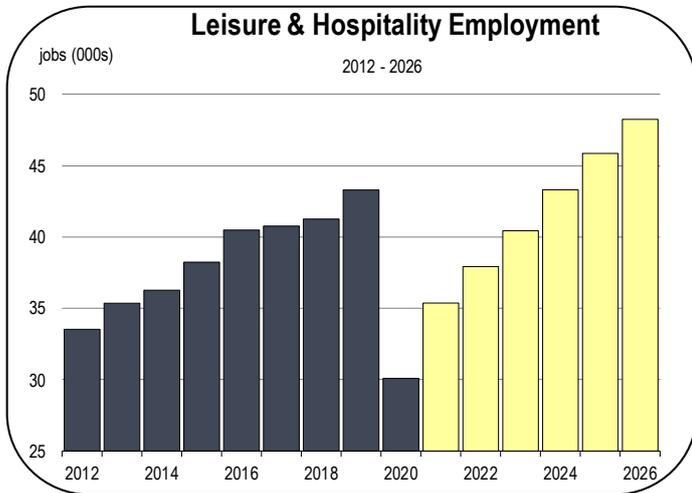
- In Contra Costa County, the information sector is dominated by telecommunications companies like Comcast.
- Telecommunications firms reduced their headcounts by 500 jobs last year. This was part of a long-term trend and was not materially influenced by the Coronavirus Recession.
- Over the forecast period, the telecommunications sector will continue to reduce their staffing levels. Jobs will also be lost at newspapers and movie theaters.
- Employment gains in software and Internet/data services will offset declines in other subsectors.

Private Education and Healthcare Employment

- The private healthcare and education industries were characterized by job losses that would have been large in most recessions, but were fairly moderate for the Coronavirus Recession.
- Employment at doctor and dentist offices contracted modestly.
- Private schools and tutoring centers declined sharply.
- Overall, the healthcare and education industry will gain 3,600 jobs in 2021, fully recovering from the recession.
- Approximately 1,900 jobs are expected to be created in 2022.



Contra Costa County Economic Forecast

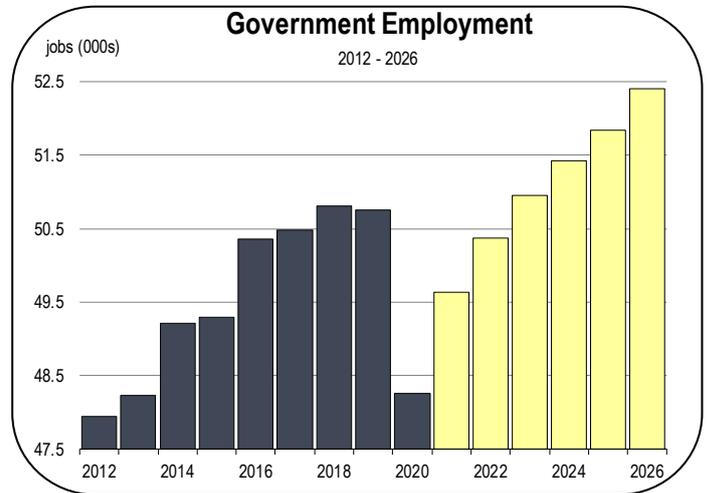


Leisure and Hospitality Employment

- Leisure and hospitality firms were impacted by restricted business conditions more than any other type of company.
- More than 6,600 jobs were lost at restaurants, a decline of 20 percent.
- Approximately 1,700 jobs were lost at entertainment and fitness centers (25 percent). More than 400 jobs were lost at hotels (22 percent).
- Leisure and hospitality employment could rebound sharply in the second half of 2021 due to a surge in dining and recreation throughout Contra Costa County.
- We expect the leisure and hospitality sector to regain 5,300 jobs in 2021 and another 2,600 jobs in 2022, but it could take several years for the industry to fully recover.

Government Employment

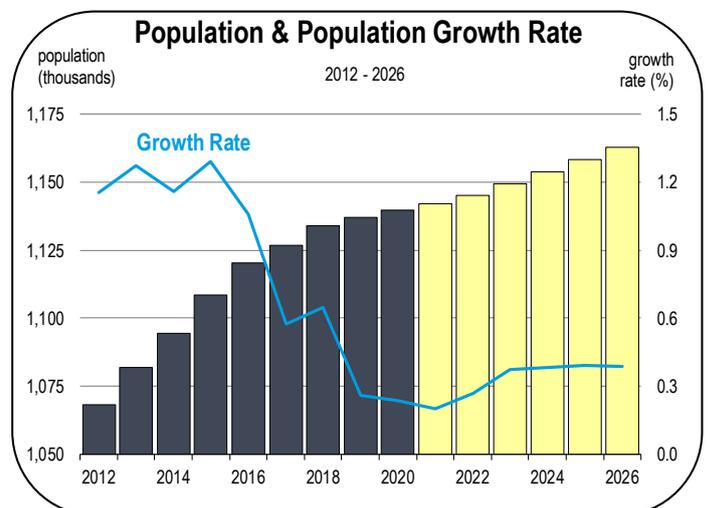
- State and local government agencies lost 2,700 jobs during 2020.
- Federal government agencies added 200 jobs in 2020, but this was mainly due the Decennial Census, which creates temporary government jobs every 10 years. These Census jobs have already ended.
- Some state and local government positions will be restored in fiscal 2022 (beginning in July 2021) because city tax revenues will increase, the cities and counties will benefit from American



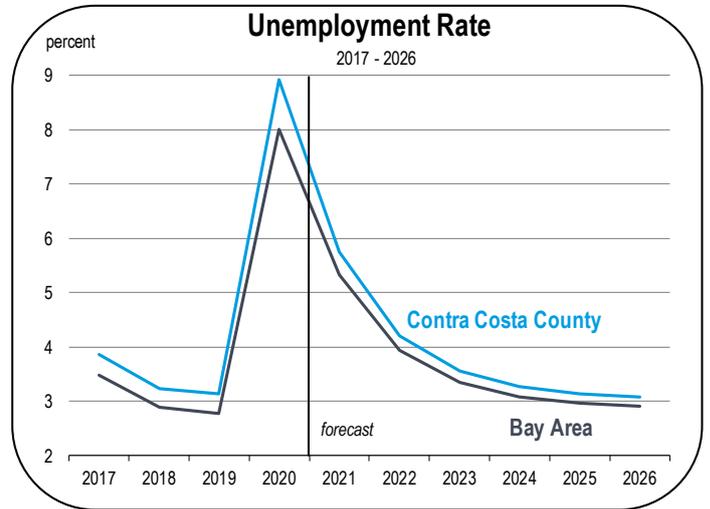
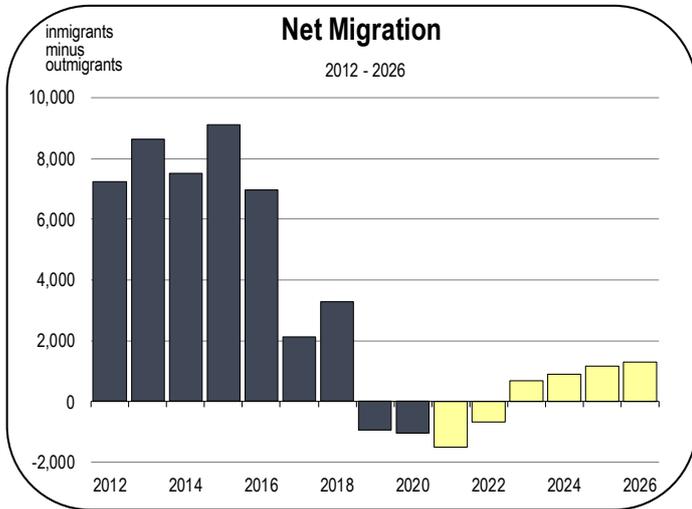
Rescue Plan aid, and in-person schools will recommence in the Fall of 2021.

Population Growth

- Approximately 1,000 net migrants left Contra Costa County in 2020.
- The number of people moving out of Contra Costa county did not change substantially in 2020, but far fewer residents moved into the county.
- The Contra Costa County population is expected to expand at an annual rate of 0.3 percent between 2021 and 2026, which is faster than the Bay Area average but still relatively slow.



Contra Costa County Economic Forecast



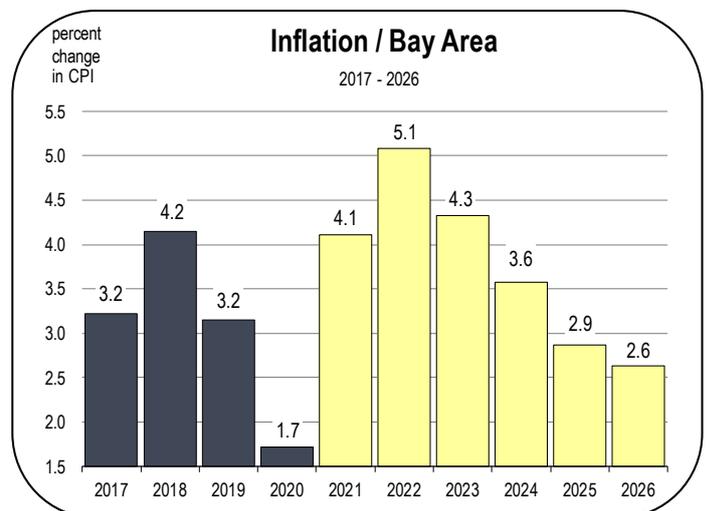
- The county is expected to continue to lose residents through the migratory process in 2021 and 2022.
- Over the long term, it is likely that net migration will turn positive because homes in Contra Costa County are much more affordable than other parts of the Bay Area, and more housing projects have been approved in the cities of Concord and Antioch that will be under development this year or next.
- By 2026 the population will reach 1.16 million residents.

- Fractures in the global supply chain that raise the cost of production for many businesses
- Sharp increases in the cost of housing and energy
- Labor market recruitment challenges that force companies to raise wages
- Combined, these factors will push inflation to its highest rates in 30 years. Ultimately, it will reduce the purchasing power of households and negatively impact consumer confidence, limiting the growth potential of the economy in 2022.

Unemployment and Inflation Rates

- The unemployment rate in Contra Costa County averaged 8.9 percent in 2020, which was above the composite rate for the Bay Area.
- The unemployment rate is expected to average 5.7 percent in 2021 and 4.2 percent in 2022.
- During the forecast period, Contra Costa County will continue to have an unemployment rate that is higher than the Bay Area average, but lower than the California average.
- Inflation decelerated sharply in 2020, largely because energy prices declined when the demand for fuels plunged.
- Inflation soared in 2021 and is expected to remain elevated for several years.
- Over the forecast period, there will be a number of factors that will contribute to high inflation. The most prominent will be:
 - Record levels of spending by consumers and government agencies

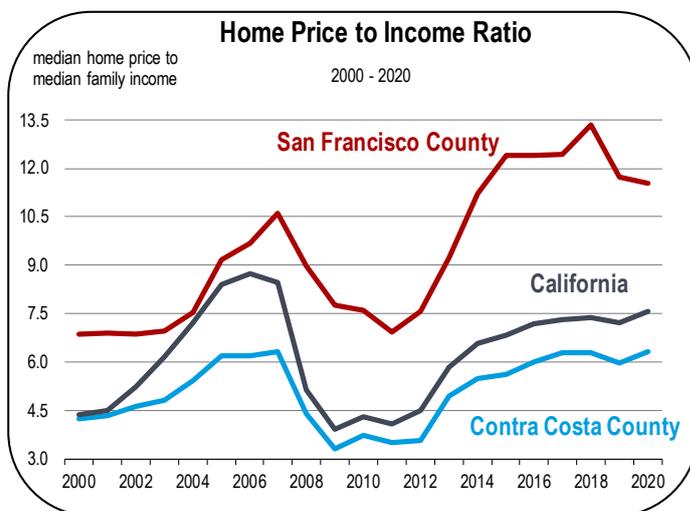
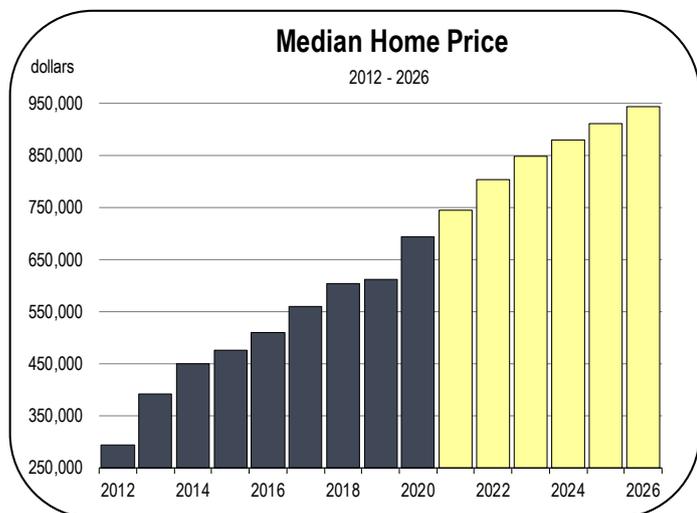
- However, inflation will begin to decelerate as supply chains and the labor force are restored by the second half of the forecast period, eventually falling below 3 percent.



Contra Costa County Economic Forecast

Home Prices and New Housing Production

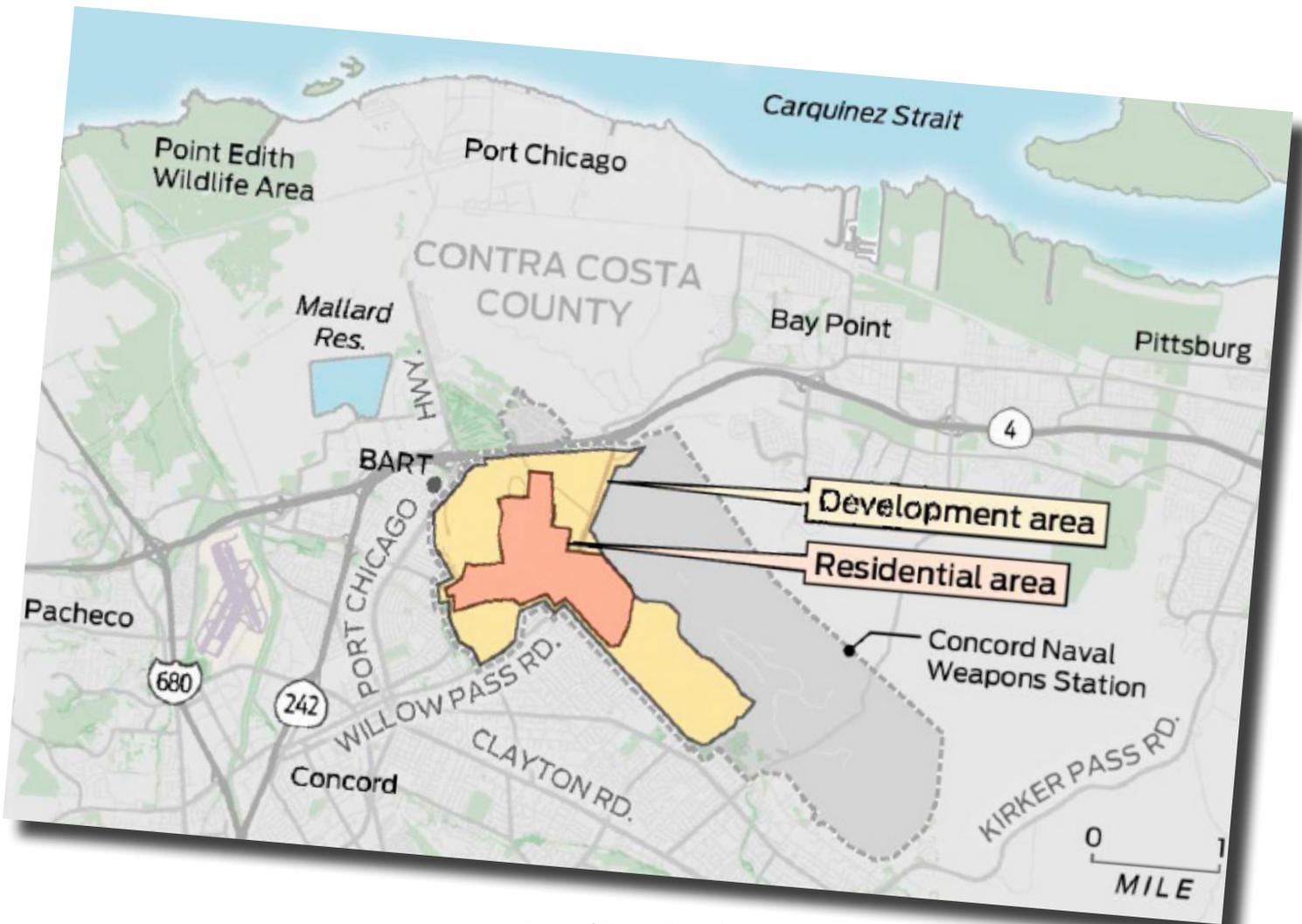
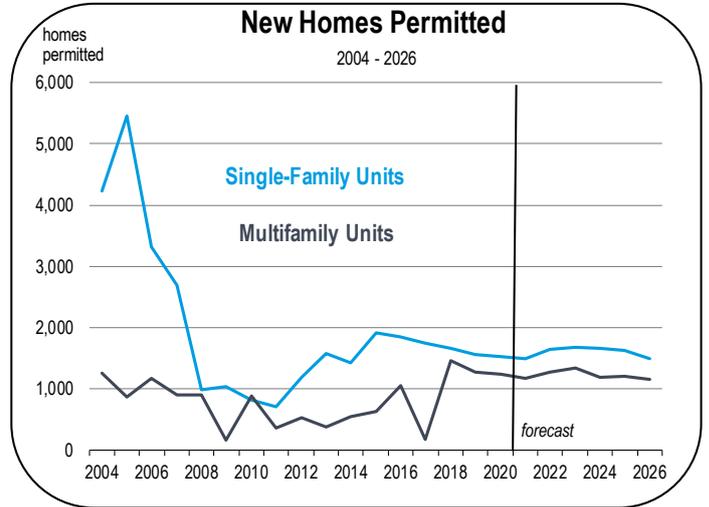
- In 2020 the median home price in Contra Costa County was \$693,000, an increase of 13 percent from the previous year.
- The median price is forecast to rise by 7-8 percent in 2021 and could continue to increase rapidly in 2022.
- Homes in Contra Costa County are more affordable than homes across California and other parts of the Bay Area.
- In Contra Costa County, the typical household spends less than 35 percent of its income on mortgage payments or rent.
- In San Francisco thy typical household spends more than 50 percent of income on housing costs.
- From 2015 to 2020, an average of 2,700 new homes were started per year in Contra Costa County. Approximately two thirds were single-family homes.



- Housing production is expected to average 2,900 homes per year from 2021 to 2026, consisting primarily of single-family homes.
- There are more than 20,000 housing units in the Contra Costa County development pipeline.
- The most prominent long term development initiative is the Concord Reuse Project, which could ultimately produce 12,272 homes and 6.1 million square feet of commercial space near the North Concord/ Martinez BART station.
- The Navy still needs to transfer the property to the City before the Concord Reuse Project can move forward.
- The Concord City Council recently released a Request for Qualifications for a master developer to implement the project. Statements of qualifications are due on June 18, 2021.
- Another prominent project is The Ranch, which includes 1,177 homes, as well as office and retail developments.

Contra Costa County Economic Forecast

- The Ranch was approved last summer by the City of Antioch.
- The Ranch will include homes for first-time buyers, gated executive neighborhoods, and Antioch’s first large-scale community for residents 55 years or older.
- The Southwest Hills project will build 1,500 single family homes in Pittsburg.
- Southwest Hills was approved by the planning commission in July of 2020.



Concord Reuse Project Area

Contra Costa County Economic Forecast

Economic Indicators

2015-2020 History, 2021-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (billions)	Total Taxable Sales (billions)	Real Industrial Production (billions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (millions)	Inflation Rate (percent)
2015	1,108,659	383.6	9,118	2,538	1,000	\$77.8	\$11.3	\$15.8	\$18.1	\$81,491	5.1	\$149	2.6
2016	1,120,404	387.0	6,958	2,895	1,078	\$82.7	\$11.7	\$16.1	\$11.9	\$83,141	4.5	\$144	3.0
2017	1,126,827	389.7	2,126	1,910	1,073	\$88.4	\$12.3	\$16.8	\$14.7	\$85,678	3.9	\$131	3.2
2018	1,134,118	391.8	3,267	3,127	1,084	\$93.7	\$12.9	\$17.6	\$17.6	\$86,825	3.2	\$114	4.2
2019	1,137,085	394.0	-957	2,844	1,116	\$98.4	\$13.1	\$18.1	\$15.6	\$88,048	3.1	\$108	3.2
2020	1,139,768	396.1	-1,037	2,768	1,078	\$102.3	\$12.6	\$17.6	\$17.4	\$89,757	8.9	\$104	1.7
2021	1,142,058	394.6	-1,507	2,666	1,087	\$105.4	\$13.6	\$18.8	\$16.9	\$89,566	5.7	\$105	4.1
2022	1,145,103	398.7	-678	2,910	1,094	\$110.3	\$13.9	\$19.1	\$17.0	\$90,864	4.2	\$105	5.1
2023	1,149,389	402.9	680	3,030	1,100	\$116.5	\$14.4	\$19.8	\$17.3	\$92,840	3.5	\$106	4.3
2024	1,153,770	405.2	895	2,851	1,104	\$122.1	\$14.8	\$20.4	\$17.6	\$94,222	3.3	\$106	3.6
2025	1,158,272	407.2	1,162	2,835	1,108	\$127.6	\$15.0	\$20.7	\$17.8	\$95,419	3.1	\$106	2.9
2026	1,162,780	409.6	1,295	2,655	1,111	\$133.5	\$15.3	\$21.0	\$18.1	\$96,843	3.1	\$105	2.6
2027	1,167,263	411.8	1,415	2,607	1,113	\$139.6	\$15.5	\$21.3	\$18.4	\$98,394	3.0	\$105	2.4
2028	1,171,776	413.9	1,531	2,557	1,116	\$146.0	\$15.7	\$21.6	\$18.6	\$99,840	3.0	\$105	2.5
2029	1,176,226	416.0	1,523	2,492	1,119	\$152.0	\$16.2	\$22.3	\$18.8	\$100,860	3.0	\$104	2.4
2030	1,180,586	418.1	1,521	2,435	1,123	\$158.2	\$16.8	\$23.1	\$19.0	\$101,900	3.0	\$104	2.4
2031	1,184,689	420.1	1,529	2,395	1,127	\$164.2	\$17.2	\$23.7	\$19.2	\$102,885	3.0	\$103	2.5
2032	1,188,517	422.1	1,538	2,360	1,132	\$170.5	\$17.7	\$24.4	\$19.4	\$103,667	3.0	\$102	2.4
2033	1,192,099	424.0	1,536	2,473	1,137	\$176.6	\$18.2	\$25.0	\$19.6	\$104,695	3.0	\$101	2.2
2034	1,195,388	426.0	1,532	2,539	1,141	\$183.1	\$18.6	\$25.6	\$19.8	\$105,639	3.0	\$101	2.3
2035	1,198,394	428.1	1,517	2,488	1,144	\$189.7	\$19.2	\$26.4	\$20.0	\$106,486	3.0	\$100	2.3
2036	1,201,075	430.1	1,510	2,435	1,147	\$196.7	\$19.9	\$27.4	\$20.1	\$107,026	3.0	\$99	2.3
2037	1,203,432	432.0	1,498	2,374	1,150	\$203.8	\$20.5	\$28.3	\$20.3	\$107,499	3.0	\$98	2.4
2038	1,205,395	433.9	1,484	2,411	1,153	\$211.2	\$21.2	\$29.2	\$20.4	\$108,157	3.0	\$97	2.3
2039	1,207,017	435.7	1,471	2,350	1,156	\$218.8	\$21.9	\$30.1	\$20.5	\$108,699	3.0	\$96	2.3
2040	1,208,250	437.5	1,464	2,299	1,159	\$226.5	\$22.5	\$31.0	\$20.6	\$109,277	3.0	\$95	2.2
2041	1,209,077	439.3	1,457	2,247	1,162	\$234.1	\$23.1	\$31.8	\$20.8	\$110,106	3.0	\$94	2.3
2042	1,209,585	440.9	1,460	2,259	1,166	\$241.6	\$23.6	\$32.6	\$21.0	\$110,988	3.0	\$92	2.2
2043	1,209,842	442.6	1,449	2,203	1,169	\$249.3	\$24.3	\$33.4	\$21.1	\$111,945	3.0	\$91	2.1
2044	1,209,868	444.2	1,441	2,151	1,172	\$257.0	\$24.8	\$34.1	\$21.3	\$113,035	3.0	\$90	2.2
2045	1,209,646	445.8	1,436	2,102	1,174	\$264.8	\$25.4	\$35.0	\$21.5	\$114,024	3.0	\$89	2.3
2046	1,209,246	447.3	1,431	2,053	1,175	\$272.7	\$26.0	\$35.9	\$21.7	\$114,905	3.0	\$88	2.3
2047	1,208,667	448.7	1,434	1,963	1,177	\$280.9	\$26.7	\$36.8	\$21.8	\$115,598	3.0	\$86	2.3
2048	1,207,877	450.1	1,424	1,905	1,178	\$289.3	\$27.4	\$37.8	\$21.9	\$116,221	3.0	\$85	2.4
2049	1,206,832	451.4	1,417	1,850	1,179	\$297.6	\$28.1	\$38.8	\$22.0	\$117,074	3.0	\$84	2.1
2050	1,205,557	452.7	1,417	1,801	1,180	\$306.2	\$28.9	\$39.8	\$22.1	\$117,853	3.0	\$83	2.1

Employment Sectors

2015-2020 History, 2021-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	(thousands of jobs)											
2015	350.8	0.7	22.8	15.0	10.6	51.9	26.3	50.9	8.3	64.1	38.3	49.3
2016	364.2	0.8	25.4	14.9	11.2	53.6	27.0	52.1	8.1	67.3	40.5	50.4
2017	370.3	0.8	25.5	15.6	11.5	53.7	27.4	54.3	8.0	69.3	40.7	50.5
2018	373.0	0.7	26.1	15.7	11.6	52.6	27.0	55.3	7.8	70.7	41.3	50.8
2019	374.6	0.8	26.0	16.1	11.5	50.7	27.2	56.2	7.2	71.2	43.3	50.8
2020	342.2	0.9	24.3	15.7	11.8	45.8	25.8	53.7	6.7	68.2	30.1	48.3
2021	362.0	0.9	26.2	15.7	12.2	48.6	26.6	56.3	6.6	71.8	35.4	49.6
2022	371.1	0.9	26.7	15.7	12.4	48.6	27.2	58.1	6.5	73.7	37.9	50.4
2023	377.0	0.9	26.1	15.7	12.6	48.4	27.9	59.4	6.5	74.6	40.4	51.0
2024	382.5	0.9	25.3	15.8	12.7	48.3	28.3	60.7	6.4	75.6	43.3	51.4
2025	387.9	0.9	24.8	15.8	12.9	48.1	28.7	61.9	6.5	76.5	45.8	51.8
2026	393.6	0.9	24.6	15.8	13.0	48.0	29.1	63.1	6.5	77.4	48.2	52.4
2027	398.6	0.9	24.0	15.8	13.1	47.9	29.5	64.3	6.5	78.3	50.5	52.9
2028	404.0	0.9	23.8	15.9	13.3	47.9	29.9	65.4	6.5	79.2	52.6	53.4
2029	409.2	0.9	23.7	15.9	13.4	48.0	30.3	66.5	6.5	80.0	54.6	53.8
2030	414.1	0.8	23.5	15.9	13.5	48.2	30.7	67.6	6.6	80.9	56.4	54.2
2031	418.2	0.8	23.2	15.9	13.6	48.2	31.1	68.7	6.6	81.7	57.7	54.6
2032	421.9	0.8	22.9	15.9	13.7	48.3	31.5	69.7	6.6	82.5	58.8	54.9
2033	425.3	0.8	22.6	15.9	13.8	48.4	31.8	70.7	6.6	83.3	59.7	55.2
2034	429.0	0.8	22.8	15.9	13.9	48.5	32.2	71.6	6.6	84.1	60.4	55.5
2035	432.1	0.8	22.8	15.9	14.0	48.5	32.5	72.5	6.6	84.8	60.9	55.7
2036	435.0	0.8	22.6	15.9	14.1	48.7	32.8	73.4	6.6	85.6	61.4	55.9
2037	437.6	0.8	22.2	15.9	14.2	48.8	33.1	74.3	6.6	86.3	61.9	56.1
2038	440.3	0.8	22.1	15.9	14.2	48.9	33.4	75.1	6.6	87.0	62.3	56.3
2039	443.1	0.8	22.2	15.9	14.3	49.0	33.6	76.0	6.6	87.7	62.8	56.5
2040	445.7	0.7	22.1	15.9	14.4	49.1	33.9	76.8	6.6	88.4	63.3	56.6
2041	448.1	0.7	21.9	15.9	14.5	49.1	34.1	77.5	6.6	89.1	63.7	56.8
2042	450.3	0.7	21.6	15.9	14.5	49.1	34.4	78.3	6.6	89.8	64.1	56.9
2043	452.7	0.7	21.6	15.9	14.6	49.2	34.6	79.0	6.6	90.4	64.6	57.0
2044	455.1	0.7	21.6	15.9	14.7	49.2	34.8	79.7	6.6	91.0	65.1	57.1
2045	457.4	0.7	21.5	15.9	14.7	49.3	35.0	80.4	6.6	91.7	65.6	57.2
2046	459.5	0.7	21.4	15.9	14.8	49.4	35.2	81.1	6.6	92.3	66.1	57.3
2047	461.5	0.6	21.3	15.9	14.8	49.4	35.4	81.7	6.6	92.9	66.5	57.4
2048	463.4	0.6	21.1	15.9	14.9	49.5	35.5	82.3	6.7	93.4	66.9	57.4
2049	465.2	0.6	21.0	15.9	14.9	49.5	35.7	82.9	6.7	94.0	67.3	57.5
2050	467.0	0.6	20.9	15.9	15.0	49.6	35.8	83.5	6.7	94.5	67.6	57.6

Contra Costa County Economic Forecast

Socioeconomic Indicators

